Yahoo! and Online Advertising of Prescription Drugs

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Why is Yahoo! here?

Our vision is to be the center of people's lives online, and we are.

- 158M unique users visited Yahoo! in the US representing over 80 percent of the total US Internet audience. (Total audience is 196 M)*
- In the US, people spend more time on Yahoo! than any other site; 11.7% of all online time spent is spent on Yahoo!, nearly 4 1/2 hours/month.*
- Yahoo! Health is a key site where Internet users go to find health information (over 8 million unique visitors per month, nearly 400,000 daily visitors on average, spending 22 million total minutes on 22 million pages viewed).*
- We are a leader in sponsored search and display advertising for pharmaceuticals and an innovator in the space.
- Yahoo! is an intermediary providing social media tools to millions of users.

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^{*} August and Sept comScore data

Internet users get health information online

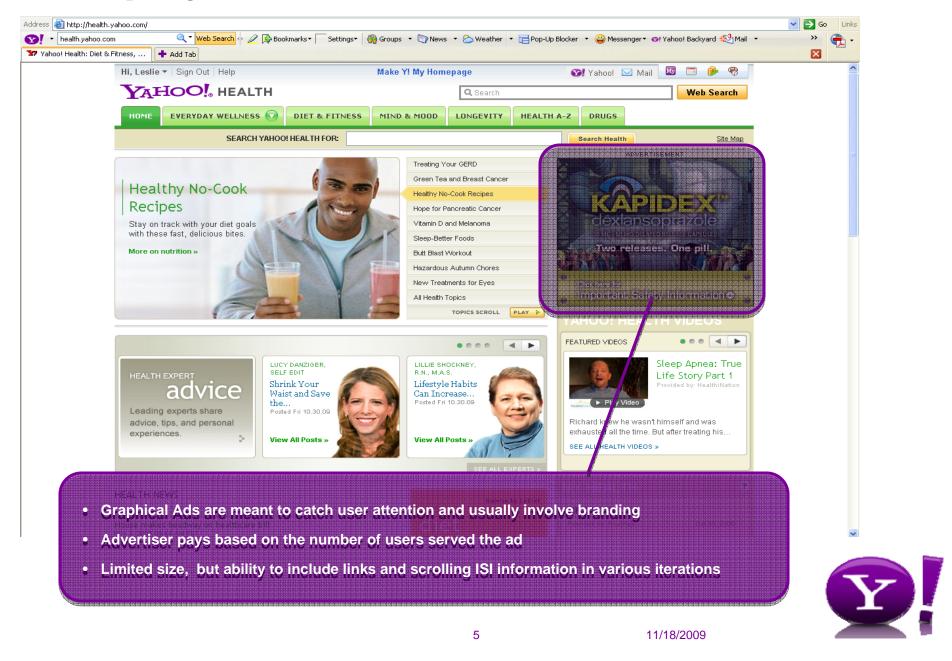
- The number of patients researching prescription drugs online has doubled since 2005 to 102 million, according to Manhattan Research data.
- 91 million Americans per month use the internet to access health information at over 1,700 dedicated health sites. 78% of Conditions Sufferers who are online visit a health-related site to learn more about their condition as do 56% of Caregivers, according to Comscore Custom Research.
- 61% of all Americans looked for health information online in 2008, and over 53% of online health seekers indicate the information they discovered online led them to ask a doctor new questions or get a second opinion, according to the Pew Internet and American Life Project.



Types of Prescription Drug Ads on the Internet Today



Display Ads

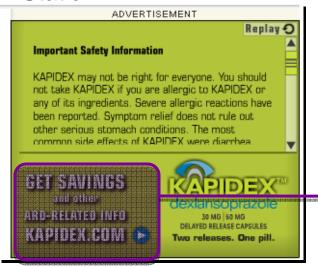


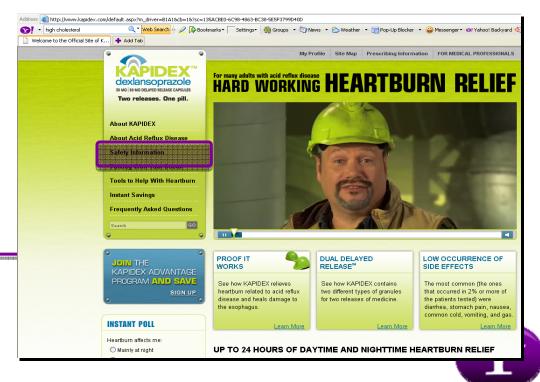
Animated



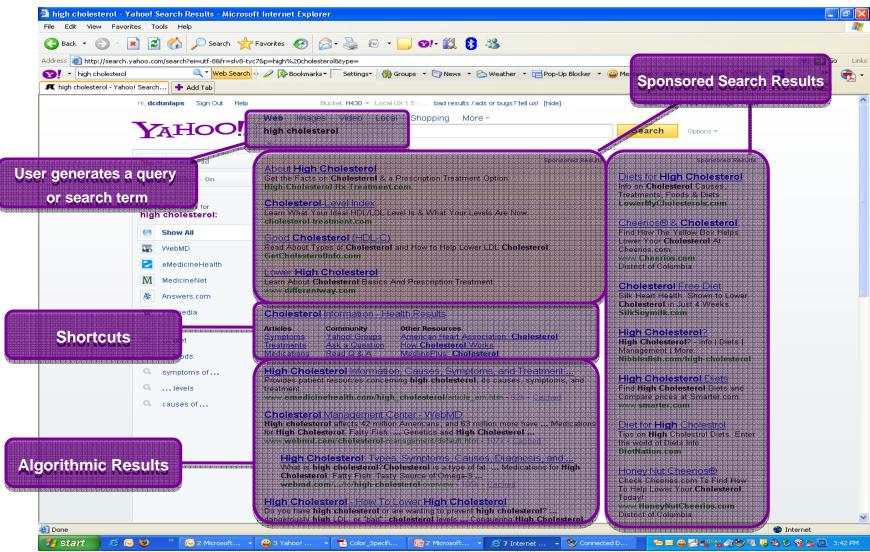
ADVERTISEMENT CloseX Important Safety Information KAPIDEX may not be right for everyone. You should not take KAPIDEX if you are allergic to KAPIDEX or any of its ingredients. Severe allergic reactions have been reported. Symptom relief does not rule out other serious stomach conditions. The most common side effects of KAPIDEX were diarrhea (4.8%), stomach pain (4.0%), nausea (2.9%), common cold (1.9%), vomiting (1.6%), and gas (1.6%). Before taking KAPIDEX, tell your doctor if you are taking ampicillin, atazanavir, digoxin, iron, or ketoconazole because KAPIDEX may reduce the effectiveness of these medications. If you are taking KAPIDEX with warfarin, you may need to be

Static



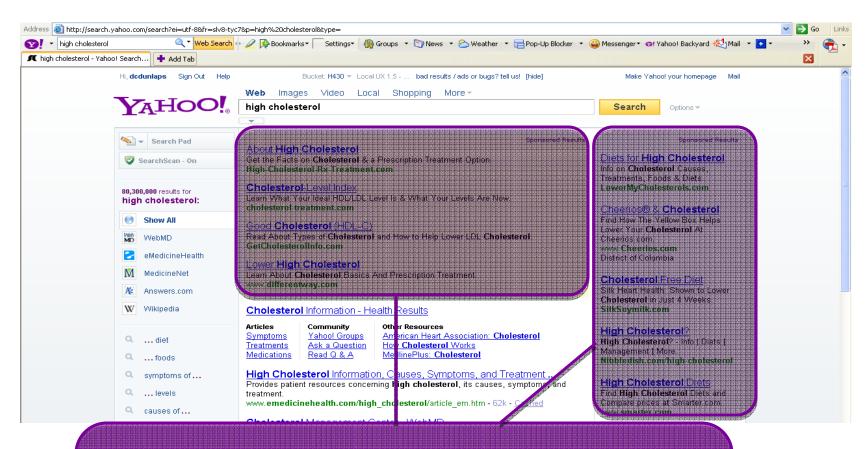


Search Advertising – The Basics





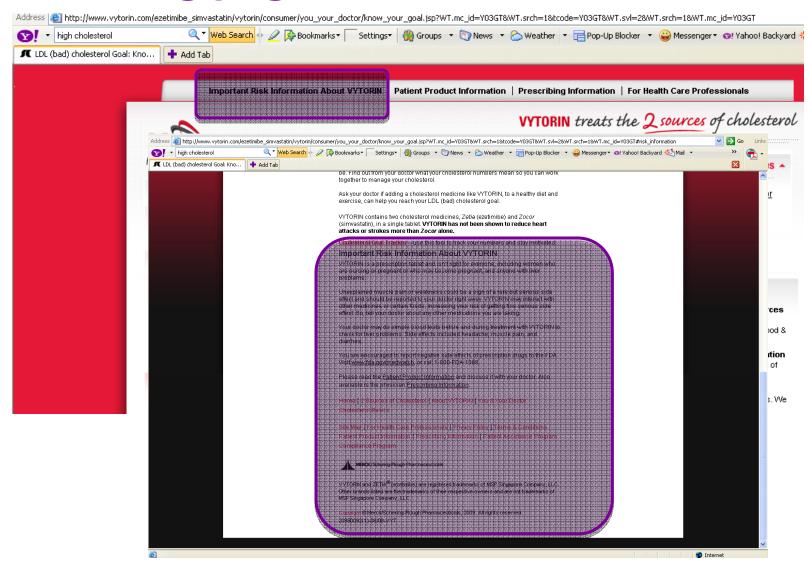
Search Advertising – Unique Characteristics



- Technically limited to 145 Characters (Title 40, Description 70, URL35)
- Invitation for user to view the ad by clicking
- The ad is triggered only when consumer clicks only then is advertiser charged
- After FDA's April letters, advertising significantly dropped, returning without indication and brand, which lowered effectiveness and reduced transparency to users

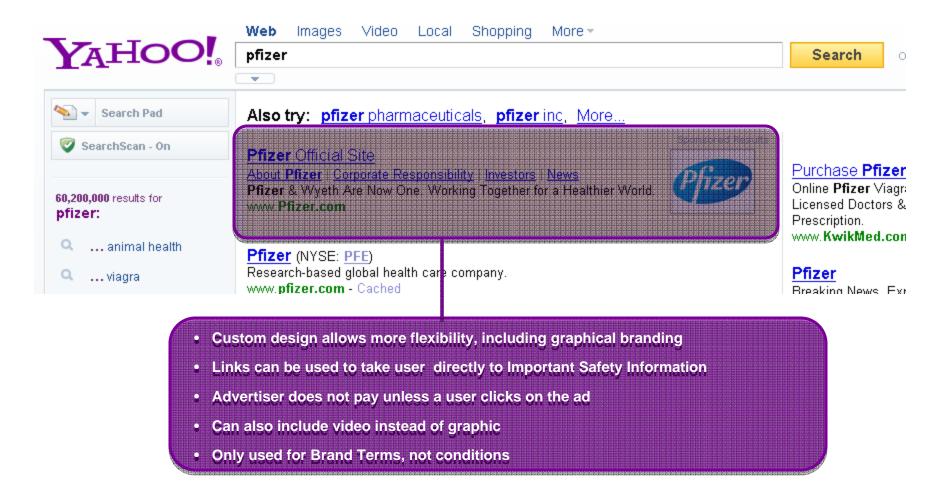


Important Safety Information on the landing page





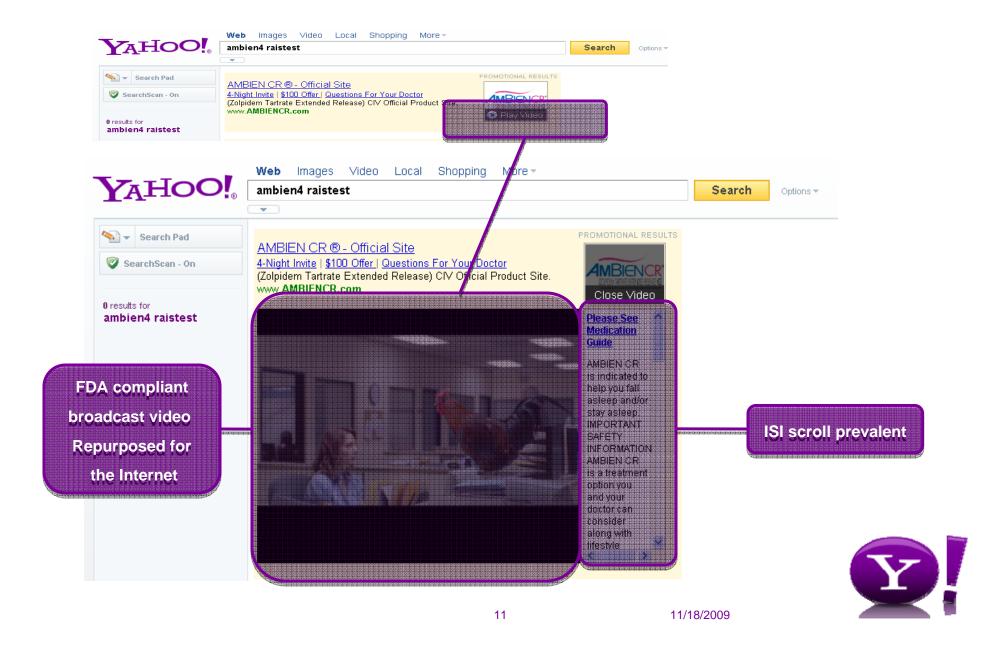
Custom Search Ads – Rich Ads in Search





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Video Solutions – User Controlled



Recommendations

Ad Rules should be commensurate with the medium

- Generic Sponsored Search allow advertisers to have full information on the landing page that a user sees after clicking on the ad
- Rich Ads in Search Advertisers can highlight a safety warning or ISI link as fair balance
- Display Ads Issue guidance permitting ISI information in the graphics of the ad and/or prominent direct links to full information
- Video Ads Allow ads satisfying existing broadcast requirements to be aired without alongside ISI warnings, but allow shorter video spots to run alongside ISI warnings.

Social Media

- Advertisers should not be responsible for user generated content on third party venues unless paying the user generating the content.
- Intermediaries, such as Yahoo!, providing technologies used to create user generated content should not be held responsible for that content in line with existing legal frameworks. The FDA should confirm this.

